ORIGINAL

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Before The Honorable YVONNE GONZALEZ ROGERS, Judge

LIABILITY LITIGATION) NO. C 22-03047 YGR

)

ALL ACTIONS) Pages 1 - 40

Oakland, California
Friday, November 22, 2024

REPORTER'S TRANSCRIPT OF PROCEEDINGS

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(Appearances continued next page)

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24		
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A P P E A R A N C E S (CONT'D.)
 1
 2
 3
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 4
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 5
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 6
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Τ	Friday, November 22, 2024 9:00 a.m.			
2	PROCEEDINGS			
3	(Reported remotely via Zoom Webinar)			
4	000			
5	THE CLERK: Morning, everyone. These proceedings are			
6	being court-reported by this Court. Any other recording of			
7	this proceeding, either by video, audio, including screen			
8	shots or other copying of the hearing is strictly prohibited.			
9	Your Honor, now calling the civil matter 22-MD-3047-YGR,			
10	In Re: Social Media Adolescent Addiction Personal Injury			
11	Products Liability Litigation.			
12	Today's appearances will be included in posting of the			
13	minutes.			
14	Thank you.			
15	THE COURT: All right. Good morning.			
16	Okay. So let's start with your agenda, and then we can			
17	move to other miscellaneous issues that that I have as			
18	well.			
19	So I don't care. Anybody at the mic? Just one of you			
20	on each side.			
21	The first issue with respect to the expert certification			
22	language, we'll put it in the formal order, but so ordered.			
23	And thanks for doing that.			
24	We'll you know, we'll see if we think it makes a			
25	difference. Lawyers always tell me that of course they're			

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doing this. But, you know, sometimes I wonder.
                                                        But we'll
 1
 2
      see.
 3
          But yes, so ordered. Okay?
 4
               MR. BLAVIN: Thank you, Your Honor.
 5
               MR. WARREN: Thank you, Your Honor.
 6
                       (Off-the-record discussion.)
 7
               MR. BLAVIN: John Blavin on behalf of Snap from
 8
      Munger Tolls.
 9
                THE COURT: Thanks, Raynee. Sorry about that. We'll
10
      make sure to have everybody confirm.
11
          A new leadership change with the Colorado AG office?
12
               MS. BATCHELDER: Yes, Your Honor. Krista Batchelder
13
      appearing for the State of Colorado.
14
               THE COURT:
                           Okay.
15
               MS. BATCHELDER: I will be replacing Bianca Miyata.
16
               THE COURT: Okay. And is Ms. Miyata okay?
17
               MS. BATCHELDER: She's perfectly fine. She's
18
      exploring other opportunities.
19
               THE COURT: Okay. Well, give her my best.
20
               MS. BATCHELDER: Okay. Thank you.
21
               THE COURT: Thank you.
22
          Okay.
23
          You're still working on -- as I understand it, you're
      still working on narrowing issues on bellwethers?
24
               MS. HAZAM: Yes, Your Honor. Lexi Hazam for
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plaintiffs.
 1
 2
          We have been meeting and conferring with defendants on
 3
      this issue. And we'll continue to do so and report back to
 4
      the Court at the next opportunity.
 5
                THE COURT: Okay. So that's -- that's fine. I mean,
      if there's nothing to talk about, then I'll just wait and see.
 6
 7
      So thanks for that update.
               MS. HAZAM: You're welcome.
 8
 9
                THE COURT: Thanks for doing the background search on
      the vendor obligations. I appreciate you following up on
10
11
      that.
12
          We have already at this point linked your website to -- to
13
       our website, so I think the more we can give people
14
       information and options for getting information is a good
15
      thing.
16
          Let's see. We will address the problems with some of the
17
       State AGs not following orders in a moment, not right this
18
      second.
19
          Montana AG and Meta.
20
               MR. SCHMIDT: Good morning, Your Honor. Paul Schmidt
21
       for Meta.
22
                THE COURT: Good morning.
23
                MR. HUYNH: Morning, Your Honor. Thomas Huynh for
      the State of New Jersey but also speaking for Montana on this
24
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matter.

THE COURT: Okay. So what's the update here?

MR. HUYNH: With regards to Montana, I've spoken with them. They said that they're resting on their papers for the order to show cause.

MR. SCHMIDT: We've actually conferred with Montana yesterday and have agreement with Montana, both on a process, if it's acceptable for the Court, and timing, if it's acceptable for the Court.

The process would be -- I think the parties have no interest in -- we don't want to burden the Court with relitigating issues the Court has already spoken on, which covers a lot of the issues with respect to Montana. Section 230 is an example in both directions. The COPPA venue issue is an example.

And so as to those issues, what the parties propose is to submit a stipulation agreeing to be bound by the Court's prior rulings on those issues but preserving their appellate rights on those issues.

And if that's acceptable to the Court and preserves their rights, then we can go ahead and do that.

THE COURT: Yeah, absolutely.

MR. SCHMIDT: Okay.

And then as to -- there are -- I think we flagged this.

There are unique issues that Montana asserts that other states don't assert. One prominent example is they challenge the age

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designation for Instagram and the Apple App Store.
                                                           That's not
 1
 2
      an allegation other states have brought.
 3
          For those allegations, we propose a target briefing
 4
       schedule, and I can read that in the record for Your Honor's
 5
      reaction, if -- if that makes sense.
 6
                THE COURT: Sure. Go ahead.
 7
                MR. SCHMIDT: We would propose to follow the Court's
       local rules on lengths, so 25 pages for the opening brief, 25
 8
 9
       opposition, 15 reply. And tracking the rough dates and
10
       recognizing the holidays, we would propose that we Meta move
11
       on December 20th, the State, Montana, respond on January 24th,
12
       and we reply on February 7th.
13
                THE COURT: Yeah, those dates work for me. That's --
14
       and then -- let's see. February -- well, I don't know that
15
       I'll have an answer for you on February 12th, which is just
16
       five days later at our first -- at our February CMC.
17
                MR. SCHMIDT:
                              I don't think we'd be asking for one.
18
                THE COURT: But I think that briefing schedule works.
19
               MR. SCHMIDT:
                              Okay.
20
                THE COURT: And so so ordered.
21
               MR. SCHMIDT: Thank you, Your Honor.
22
               MR. HUYNH:
                            Thank you, Your Honor.
23
               MR. SCHMIDT: We'll submit the stipulation.
                THE COURT: Okay, great.
24
25
                MR. SCHMIDT:
                              Thank you.
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THE COURT: Okay.

As I'm sure you saw from the docket, I did decide to relate the *TikTok* case, so that's done.

I had a question on two pages now of your case management statement. So let me ask this as a prelude to a question that I'll ask at the end.

Anybody want to say anything else that's in this -- that wasn't in this two pages that you fought about or didn't fight about it, or -- you know, I said -- as I told you before, I don't need a lot of back-and-forth in these statements.

But now is your opportunity to say whatever else you would have wanted to say on expert certification, website, vendor obligations, narrowing, discovery pools, TikTok. Anything else you wanted to say or are we good?

MR. RUDDY: Morning, Your Honor. Brendan Ruddy on behalf of the People of the State of California in the action People v. TikTok, Inc.

Since Your Honor mentioned the related action, there are a couple logistical housekeeping issues that we would like to address.

THE COURT: Okay.

MR. RUDDY: The people had already filed a motion to remand before the case was related, and it needs to be re--re-noticed.

My understanding is the Court prefers --

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THE COURT: So it needs to be re-noticed typically in
 1
 2
      my typical cases.
 3
           Is it -- remind me. Is it fully briefed?
               MR. RUDDY: No. The -- the opening brief and motion
 4
 5
      was filed on Monday.
 6
                THE COURT: Okay. So do you want -- I would
 7
      typically go by the regular -- the regular 35-day schedule,
      but given the holidays, we don't have to do that.
 8
 9
          Do you want to follow the schedule that -- that the others
10
      just proposed?
11
               MR. RUDDY: We would propose a hearing date of the
12
      12th of -- a February 12th CMC, if that's Your Honor's
13
      preference. Otherwise, we could schedule it for a Tuesday
14
      general civil motions calendar.
15
                THE COURT: No, it would be on that day. You just
16
      have to make sure that I get it in advance. So --
17
               MR. RUDDY: We had done a briefing schedule
18
      previously and I think would be able the reach one -- is 14
19
      days in or more in advance sufficient?
20
                THE COURT: Well, we're here. We'll do it right now.
21
          So it's been filed.
22
               MR. RUDDY: Yes.
23
               THE COURT: I need an opposition.
               MR. DRAKE: Good morning, Your Honor. Geoffrey Drake
24
25
       from King & Spalding on behalf of the TikTok defendants.
                                                                 Ι
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1
       wanted to introduce Your Honor to my colleague Mattie Hutton
 2
       from O'Melveny & Myers. They're handling the Attorney General
 3
       litigation for TikTok.
 4
                THE COURT:
                           Okay.
 5
                MR. DRAKE: I'll let her address that. Thank you,
 6
       Judge.
               MS. HUTTON: Good morning, Your Honor. As my friend
 7
 8
      mentioned, the parties had, prior to transfer, reached a
 9
       stipulation on briefing this motion. And it would have had
10
      the opposition to the remand motion due on January 13th right
11
       after the holidays.
12
          That would continue to work for TikTok, and I think it
13
      would push it to perhaps the following case management
14
      conference, but --
15
                THE COURT: Well, January 13th, then -- so that was
16
      the opposition.
17
          And the reply was due when?
18
               MR. RUDDY: The 10th of February.
19
           So our -- our suggestion would be a opposition due on the
20
       6th or 7th, and reply on January 27th or 28th. That would be
21
      two weeks in advance of the 12th on [sic] February.
22
                THE COURT: Okay.
                                   Thoughts.
23
               MS. HUTTON: We would prefer to keep the earlier
24
       agreement on --
25
                          (Simultaneous colloquy.)
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THE COURT: Typically -- look, motions for remand, I
 1
 2
      never even give argument on motions for remand. There is a
 3
      very -- you know, the -- the rule's not debatable. It's --
 4
          Is there something -- is there something wildly different
 5
      in this case than every other case we have to deal with?
 6
               MR. RUDDY: Absolutely not. In fact, I mean, the
 7
      motion is for remand and for just costs and expenses for
      having had to bring the motion.
 8
 9
          The -- out of respect for counsel's holiday schedule as
10
      ours, is the only reason why we'd push briefing back into
11
      January. The motion's ten pages already filed.
12
               THE COURT: It's November 22nd. You really need 60
13
      days to file an opposition to a motion for remand?
14
               MS. HUTTON: Your -- Your Honor, we'll be happy to do
15
      it on the earlier schedule if Your Honor prefers.
16
               THE COURT: All right. You said January 6?
               MR. RUDDY: Yes, Your Honor.
17
18
               THE COURT: You want to file it sooner than
19
      January 6th so you don't have to worry about it?
20
               MS. HUTTON: The -- Your Honor, the 6th would be
21
      welcome.
22
               THE COURT: All right. So January 6th, and then I'm
      going to get a -- a reply on the 13th? It's typically one
23
      week, or do you want more time? So you want the 20th? I'll
24
25
      give you the 20th.
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1
               MR. RUDDY:
                            The 20th would be appreciated.
 2
      you, Your Honor.
 3
               THE COURT: All right. And then I'll hear it on the
 4
      12th.
 5
          Okay?
 6
               MR. RUDDY: Two other housekeeping items. A motion
 7
      to seal -- administrative motion to seal had been filed before
 8
      the case was related, as well as opposed so that has been
 9
      briefed. It was briefed under the local rules, not the MDL
10
      procedure. But our understanding -- well, we wanted to check
11
      with the Court, if that was okay and that it may be heard as
12
      briefed.
13
               THE COURT: It's already fully briefed?
               MR. RUDDY: Yes.
14
15
               MS. HUTTON: Yes, Your Honor.
               THE COURT: Okay.
16
17
          That's fine. You don't need to re-brief it.
18
               MR. RUDDY: And then the other logistical issue is
19
       somewhat of a question about the procedural posture of this
20
       case.
21
               THE COURT: Which case?
22
               MR. RUDDY: The People v. TikTok Inc., the recently
23
      related and removed case.
                THE COURT: Okay.
24
25
               MR. RUDDY: This -- in part, yesterday at the
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discovery management conference, Judge Kang raised the question of whether or not discovery is active in that case and if there's anything for him to do.

Parties have been conferring regarding those. We previously stipulated regarding a extension of the deadline to respond to the complaint.

The focus now needs to be on jurisdiction. The issue of jurisdiction has been raised. There is an absence of jurisdiction here. Removal is presumed invalid especially in a state law enforcement action like this.

So our understanding is whether it's a phrased as discovery has not opened or is stayed, that the focus for all judicial action here is on the motion to remand and the -- the administrative motion to seal, of course.

MS. HUTTON: Your Honor, my understanding is that at yesterday's conference, there was a request to discuss this issue at the next discovery management conference, and we think that would be an appropriate step to take.

We are just getting up to speed on -- on how discovery might relate to this action and would prefer to have the benefit of a little more time to think -- to understand that before taking or getting an order on that.

MR. RUDDY: We'd prefer not waste any party or judicial resources while the issue of jurisdiction is undecided.

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THE COURT: Well, then I suspect that you'll make
 1
 2
      that argument to Judge Kang.
 3
               MR. RUDDY:
                           Okay.
 4
                THE COURT: Yeah. He's in charge of discovery.
 5
      have plenty of things that I have to do for you all.
 6
          All right? Understood?
 7
               MS. HUTTON: Yes, Your Honor.
               THE COURT: Take it to him.
 8
 9
               MS. HUTTON: One -- one more item on this issue. It
10
      is our understanding that pursuant to the Court's case
11
      management orders, a motion to dismiss deadline is stayed in
12
      this matter, and we just wanted to confirm that.
13
                THE COURT: Well, let's -- unless it is -- are the
14
      same arguments going to be made with respect to remand as the
15
      motion to dismiss?
16
               MS. HUTTON: No -- no, Your Honor. The remand
17
      motion's -- I'm sorry. It is my friend's motion, but we would
18
      understand there to be differences.
19
                THE COURT: So there aren't going to be
20
      jurisdictional issues that are going to be raised somehow?
21
               MR. RUDDY: I -- we don't believe there will be --
22
      the case will be remanded to state court, and there will be no
23
      motion to dismiss. There is no jurisdiction.
                THE COURT: And all of that's already raised in your
24
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motion.

on causation, how, if any, is there overlap with this case?

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MS. HAZAM: Your Honor, I believe you are referring
 1
 2
      to arguments regarding general causation under --
 3
                THE COURT: You've identified -- and I'm looking at
 4
      page 5 of your brief, lines 1 through 3 -- that in the JCCP,
 5
      people are filing briefs on jury instructions for causation.
 6
               MS. HAZAM: Yes, Your Honor. That is occurring in
 7
       the JCCP. Those would be instructions on causation under the
       law applicable in the JCCP to the various bellwethers there.
 8
 9
          The issue of general causation in the JCCP would be under
10
      the Sargon standard in state court, so there certainly is some
11
       overlap in the issues that will arise with regards to general
12
       causation between the two jurisdictions.
13
          The plaintiffs may be from different states to the extent
14
      that state law comes into play. And the standard is somewhat
15
       different under the case law as well, but, certainly, there is
16
      overlap.
17
               MR. DRAKE: Can I add just a -- some clarification of
18
      that, Your Honor?
19
                THE COURT: Sure.
20
               MR. DRAKE: What we're doing right now in the JCCP
21
      per Judge Kuhl's instructions is we submitted and today we'll
22
      be submitting briefing regarding proposed instructions under
23
       only California law and only certain instructions, causation,
      negligence.
24
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And that also includes some briefing on a proposed 230

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1
       instruction, the idea there being that Judge Kuhl wanted to
 2
       get a handle on what the instructions would be before we got
 3
       into expert discovery, so that's going to be heard at a
 4
      hearing in December.
 5
          There will be some overlap on some of those subjects,
 6
       obviously, as they interact with what's going on in this
 7
       court.
          230, for example, causation, although we're only doing it
 8
 9
       for one state under just California law in the JCCP. And
10
      we're also using the -- it's also based on the CACI
11
       instructions, which would potentially differ from what the
12
      Court here may adopt and adapt depending on what the case is
13
      that's being tried, et cetera.
14
                THE COURT: Okay.
15
           So other things that you might want -- have wanted to say
      on the JCCP update that you didn't put in the statement?
16
17
                MS. HAZAM: We have none for plaintiffs, Your Honor.
18
               MR. DRAKE: Nothing else here, Your Honor. Thank
19
      you.
20
                THE COURT: Okay. Great. Thank you.
21
          And I'll -- I'll give Judge Kuhl a call after -- after her
22
      meeting today, see how she's doing.
23
               MR. DRAKE:
                            Thank you, Judge.
                THE COURT: One thing to keep in mind with respect to
24
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that proceeding, to the extent the experts are the same -- and

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I don't know if they will be -- it may make sense to have
 1
 2
       joint hearings on technical hearings or -- I don't -- I don't
 3
       know 'cause who it is that you're --
               MS. HAZAM: Right.
 4
 5
                THE COURT: -- using. But both she and I are open to
      that possibility.
 6
 7
                MR. DRAKE: Thank you, Your Honor.
          That's certainly something we've had in our minds and been
 8
 9
      pondering since the inception of the litigation, so it's
10
      helpful to hear that.
11
                THE COURT: Okay.
12
               MS. HAZAM: And the same applies for plaintiffs, Your
13
      Honor. We have contemplated that ourselves and are open to
14
      the prospect.
15
           It may depend on the scheduling order that I believe is
      now pending with Judge Kuhl. I believe she intends to enter
16
17
      one shortly that would include deadlines for expert discovery
18
       and briefing that would tell us how closely the schedules
19
       align between the two jurisdictions.
20
                THE COURT: Well, even if they -- even if they're
21
      not -- well, I should say it differently.
22
          Even if there are differences, whoever is there first, and
23
       it may be her because she has fewer cases that she's dealing
      with.
24
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That doesn't mean that we can't still do a -- a joint

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hearing. I mean, in patent cases, we do Markmans well
 1
 2
      before -- very early in the litigation just to understand the
 3
      technology or to understand what the issues are.
 4
           So joint proceedings with respect to experts, even if it's
 5
      earlier, may not be a bad idea.
 6
               MS. HAZAM: We will take under advisement, Your
 7
      Honor, and discuss it. Happy to do so.
               THE COURT: Okay.
 8
 9
               MR. DRAKE: Yes, thank you.
               THE COURT: Great.
10
11
           I did read the discovery management conference statement,
12
       and I did talk to Judge Kang at length. And I'm sure he told
13
      you what I told him to tell you, which is that he's in charge
14
      of discovery. I don't think clarity is required.
15
          One of the reasons that I gave the order that I did was to
16
       ensure that he had every single tool possible to make sure
17
      that discovery was proceeding as expeditiously as possible.
18
           There may be inconsistencies. There may be
19
       inefficiencies, but he's in charge, period.
20
           So I'm actually not looking for comments. I guess you
21
      could if you wanted, but he's in charge.
22
           Is there any clarity that you need with that statement?
23
               MR. SCHMIDT: None here, Your Honor.
               MR. OLSZEWSKI-JUBELIRER: No, Your Honor.
24
           Josh Olszewski-Jubelirer for -- on behalf of the state
25
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AGs.
 1
 2
           No, Your Honor.
 3
                THE COURT: Great.
 4
                MR. SCHMIDT: Paul Schmidt for Meta. Sorry, Your
 5
      Honor.
 6
                THE COURT:
                            Thank you.
 7
                MR. OLSZEWSKI-JUBELIRER: Thank you.
                MR. SCHMIDT: We appreciate the clarity.
 8
 9
                THE COURT: Okay. That took up most of your
10
       statement.
11
          All right. Is there anything else that anybody wanted to
12
      put in this statement?
13
           Oh, look, they're coming to the microphones.
14
                MS. HAZAM: Your Honor, Lexi Hazam for plaintiffs.
15
           The item I have is not any kind of a dispute between the
16
      parties, and it is related to an item in the statement that we
17
       reported on with regards to a potential PSE [sic]
18
       ombudspersman [phonetic] -- obmudsperson -- excuse me -- for
19
       the personal jury and school district plaintiffs.
20
           We have learned that there will be some members of our
21
       current plaintiffs' leadership who are stepping down from
22
      their positions; in other words, not submitting
23
      reapplications.
          And we wanted to inquire with the Court as to whether it's
24
25
       acceptable to the Court to have plaintiffs' counsel who have
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cases currently in the MDL apply as part of the court ordered 1 2 application process in December to fill those slots. 3 THE COURT: Yes. 4 MS. HAZAM: Thank you, Your Honor. That was the only 5 item we had. 6 THE COURT: Okay. And people step down for lots of 7 different reasons. And they could -- that could include they didn't like my rulings, and that's fine, too. 8 9 To the extent there are other issues going on, I welcome 10 them to file something for the Court to review, and I'm happy 11 to talk to them about their reasons for stepping down to the 12 extent it gives me information about how to manage this 13 better. 14 MS. HAZAM: Thank you, Your Honor. 15 They are few in number, and our understanding is -- is 16 that they are simply reasons unique to those people and their 17 circumstances. But they, obviously, will submit their letters 18 with any explanation they may offer as part of that process. 19 THE COURT: Okay. Great. Thank you. 20 MS. SIMONSEN: Good morning, Your Honor. Ashley Simonsen, Covington & Burling, for the Meta 21 22 defendants. 23 Just one administrative item that was not in our case management statement. As Your Honor knows, based on the 24

motion to dismiss order with respect to the school district

complaint, the defendants will have an answer due.

And we have discussed with plaintiffs and they've agreed that, particularly in light of the active discovery that we are in the midst of, defendants may file a general answer to the school district complaint, along with affirmative defenses by December 6th, subject to Your Honor's views.

THE COURT: Okay. So ordered.

MS. SIMONSEN: Thank you, Your Honor.

THE COURT: Okay. We're at the end of your list. I have other things.

So talk to me about this new process with the statements. Did it achieve what we hoped to achieve.

MS. SIMONSEN: Ashley Simonsen for the Meta defendants. I would say that it did. I would say that it was very helpful guidance. Your Honor may have seen that we actually cited your guidance to Judge Kang in asking for a streamlined DMC statement that I think also work well although we got some feedback from Judge Kang on that yesterday that we'll implement going forward. But, yeah, I think it was tremendously helpful.

MR. WARREN: Previn Warren for the plaintiffs.

And I would second everything Ms. Simonsen said. It has been very helpful.

THE COURT: Great. Then we'll keep moving forward on that -- in that lane.

Okay. So a couple of other things that I need to talk to you about. And looks like today will be a short conference so you can all -- hopefully won't get delayed with all the rain leaving the Bay Area.

Two of the MDL bellwether cases that were chosen where Lexicon objections were asserted were direct-filed cases. And these two cases, one is the personal injury case McNeal. This is in the Eastern — it would be if — if returned, it would have been in the Eastern District of Pennsylvania. That's 23-1092. And one of the school district cases, the one for DeKalb County in Georgia, 23-5733.

Here is my problem: Because they were direct filed, the process that I'm trying to get authorization to try these cases in these districts actually can't work because it's -- they aren't pending in those districts so at this point, there is no sending them back. And unless there was a pending case there, then the circuit chief can't give authorization to me to go and try the case in their district.

So I would -- you know, I'll ask you all to meet and confer on this -- again, we're just -- and I've told all these chiefs. I don't know that their case will actually be selected, but we are -- it is a long process to get these authorizations. It has to go through many levels of review, and so that's why we're trying -- to be ahead of the -- ahead of the curve here.

So perhaps what needs happen is that a case needs to be filed there with a stipulation by the parties that it will be transferred in and perhaps that gets -- that case gets substituted for the one that's currently sitting here. I don't know.

But if we wait -- if it's chosen and -- and I don't

But if we wait -- if it's chosen and -- and I don't actually have a case there and then I remand it, it's going to be months before I can get potential authorization to -- to try it there.

MR. WARREN: Understood, Your Honor. That's a very helpful flag and, of course, a procedural issue we -- I don't think either party had foreseen. So what I would suggest we do is the counsel for those two particular bellwethers and leadership can meet and confer with defendants about whether there are creative solutions that we can come up with to try and sort that out and -- and avoid headaches for Your Honor.

MS. SIMONSEN: Likewise. Ashley Simonsen for the defendants.

THE COURT: Go ahead.

MR. DRAKE: Geoffrey Drake for the TikTok defendants.

I agree. We'll look at that. I think -- I think we'll also want to look at -- although I haven't consulted with my colleagues about that -- some of the confusion may come from -- it's not -- not clear to me exactly how the Lexicon objection works for a case that was filed directly before Your

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Honor or in this Court, so -- want to look at as well.
 1
 2
               THE COURT: I -- I agree?
 3
               MR. DRAKE: Agree. Okay.
               THE COURT: But -- anyway, we -- it is -- again, I'm
 4
 5
      glad we're ahead of the curve on this, because it's -- it's
 6
      put the issue at the forefront, so --
 7
               MR. DRAKE: Yes.
               THE COURT: -- we just need to sort through it.
 8
 9
               MR. WARREN: Thank you, Your Honor. We will do that
10
      expeditiously.
11
               THE COURT: Okay.
12
          Okay. So let's talk about the -- do I have anybody here
13
      from -- who's prepared to speak on the eight California
14
      agencies that are refusing to comply with the order, or South
15
      Carolina or South Dakota?
16
               MS. KALANTHI: Yes, Your Honor. Good morning. Emily
17
      Kalanthi for the People of the State of California.
18
                THE COURT: Hold on just a minute.
19
               MR. SCHMIDT: Paul Schmidt again for Meta.
20
               THE COURT: And, Ms. Kalanthi, who do you represent?
21
               MS. KALANTHI: I represent the People of the State of
22
      California. I'm with the California Attorney General's
23
      Office, so represent the party -- the plaintiff here.
               THE COURT: Okay.
24
25
          So do you represent the School Finance Authority, the
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governor, the Governor's Office, the Department of Finance,
the Department of Public Health, the Department of Consumer
Affairs, the Business Consumer Services and Housing Agency,
and the Office of Data and Innovation?
        MS. KALANTHI: I do not, Your Honor.
        THE COURT: Is there anybody here who does?
        MS. KALANTHI:
                       I don't believe there's counsel for
those agencies in the courtroom. The agencies have been made
aware of this Court's orders, the magistrate judge's orders on
state agency discovery. I think they are clear as to what
those orders say.
   And as an officer of the court, I can represent that the
position, as I understand it, is that they are not providing
the Attorney General's Office with access to their documents
for purposes of party discovery.
   They are standing on well-settled California law which
holds that when the Attorney General brings a case in the name
of the People of the State of California, that state agency
documents are not proper for party discovery. It's not --
         THE COURT: It is not as settled as they think it is.
   Judge Kang has asked for specific people's information.
        MS. KALANTHI:
                       That's correct, Your Honor.
         THE COURT: And you can tell them to expect that they
will be ordered into court. And if necessary, contempt
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proceedings will begin.

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1
               MS. KALANTHI: I understand, Your Honor.
                                                          And just to
 2
      make it as clear as I can, this is, as far as I understand it,
 3
      not a decision that's being made idly.
 4
                THE COURT: Believe me, I will not make my decisions
 5
       idly either. If they would like to come in and begin those
 6
      proceedings, we can do that 2025.
                              Understood. By -- what I understand
 7
               MS. KALANTHI:
      to be the case is that this is the dual executive kind of
 8
 9
       inaction so the Attorney General as a separate executive
10
      officer from the governor's office --
11
                THE COURT: Arguments have been made.
               MS. KALANTHI: Understood, Your Honor.
12
13
               THE COURT:
                            Right?
               MS. KALANTHI:
14
                              Yes.
15
                THE COURT: Arguments have been made.
16
          So I do not take lightly anybody's failure to comply with
17
       a federal court order. Something will happen. I don't know
18
      what. But I quarantee you, I will not let this stand.
19
               MS. KALANTHI: Understood, Your Honor.
20
          And I believe the reason these agencies have not thus far
21
       appeared is simply because this has come up in the context of
22
      party discovery. They're not parties to this action, and
23
       judge -- Magistrate Judge Kang's order didn't hold otherwise.
          And, you know, to the extent they would be brought in via
24
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a Rule 45 subpoena or another mechanism, you know, I'm -- I'm

certain they would appear. So it's -- I just want to reassure the Court that this is not an issue of lack of respect for the rule of law or it's the -- the kind of very real sovereignty issues that are now kind of at play with the federal court order and the California precedent.

THE COURT: Yeah, they have no California order.

There is no California order, so --

Mr. Schmidt?

MR. SCHMIDT: Yes, Your Honor. I'll just say simply we appreciate the Court addressing this issue. It is -- and the broader issue of state Attorney General compliance with Judge Kang's order is a pretty serious issue for us in terms of our ability to fairly defend ourselves in these cases and get fair discovery in these cases.

We've already been impaired in terms of the time -- the delay that's already incurred. We don't see how they can keep to the schedule as it exists. That's even more of a problem as we go on. So for all of those reasons, we appreciate the Court addressing this.

We are -- we've had a very large number of states who are noncompliant with Judge Kang's deadlines who now have new deadlines.

We've committed to continuing to work with them, and we'll continue to do so while seeking appropriate relief from Judge Kang.

And we're open to talking further with California if that's fruitful, but at -- at some point, I don't see how they can proceed with their claims if they're not complying with court rules.

THE COURT: That is certainly one course. So like I said, I don't know what the remedy is yet.

I understand one of the complaints is that they believe Meta is seeking discovery that is incredibly overbroad, and that may be the case. But, the -- the action is not to say "it's overbroad and so we will do nothing."

The -- the response is to go to Judge Kang and say "this is overbroad," so that he can narrow it to an appropriate -- to the appropriate scope.

I understand that this is complicated. Refusing to comply with a court order is not the appropriate response. Period.

So they'll have to deal with that. Or I'll throw you out of the case. Or I'll issue contempt. There are -- I have lots of options available to me, and I will not hesitate to use them.

I hope they're watching.

MS. KALANTHI: I understand, Your Honor.

And I appreciate my colleague's bringing in the concept of what Meta has been looking for here and Your Honor also mentioning that, and it is our belief that that has kind of gotten lost in this back and forth, the fact that there is

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exceedingly broad party discovery that is now being required
 1
 2
      of these state agencies without any showing so far of
 3
      proportionately and -- and --
 4
                THE COURT: There is a magistrate judge who has spent
 5
      incredible -- hundreds of hours working on this. They have a
 6
      problem; that's the solution. Not pretending that they can
 7
      not comply with the court order.
               MS. KALANTHI: Understood, Your Honor. And I believe
 8
 9
      it was a decision that was not taken lightly --
10
                THE COURT: It doesn't matter to me. The decision --
11
      if that's the decision that's made, there will be
12
      consequences, period.
13
               MS. KALANTHI: Understood, Your Honor.
               THE COURT: All right. You're standing. Who are
14
15
      vou?
               MR. COCANOUGHER: Good morning, Your Honor. Matt
16
17
      Cocanougher from the Kentucky Attorney General's Office.
18
          I just wanted to let --
19
                THE COURT: Hold on. Let me find your name, sir.
20
               MR. COCANOUGHER: It may be "Matthew."
21
               MR. SCHMIDT: Third page, Your Honor. Third from the
22
      bottom.
23
               THE COURT: Oh, I see it now.
24
          Okay.
               MR. COCANOUGHER: I just wanted to let Your Honor
25
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know that South Dakota is on the line.
 1
 2
                THE COURT: On the line what? Oh, you mean someone
 3
       from the South Dakota --
 4
               MR. COCANOUGHER: Attorney General's Office, Your
 5
      Honor.
 6
          They do not believe they fall within this group of states,
 7
       and so there is an attorney from the South Dakota
      Attorney General's Office who is appearing either
 8
 9
      telephonically or by video.
10
                THE COURT: Okay. You can let him in.
11
          Do you have the name?
12
                THE CLERK: Could I have the name, Counsel?
13
                MR. COCANOUGHER: Aaron Salberg or Salsberg?
14
      A-A-R-O-N S-A-L --
15
                THE CLERK: Yes, Your Honor.
16
           (Mr. Salberg entered the hearing room via Zoom webinar.)
17
                MR. SCHMIDT: If I may, I'll just move over so I can
18
       see Counsel.
19
                THE COURT: Mr. Schmidt, if you go to that -- oh, and
20
      there's a microphone, too. That's fine. You can use that --
21
                          (Simultaneous colloquy.)
22
                THE COURT: No, the middle one's fine. Just make
23
      sure to use the microphone.
               MR. SCHMIDT: Okay.
24
25
                THE COURT: So he's not on the platform yet.
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(Pause in the proceedings.)
 1
 2
               MR. SALBERG: Your Honor, can you hear me?
 3
               THE COURT: I can, sir.
               MR. SALBERG: Having little bit of technical
 4
 5
       difficulties.
 6
               THE COURT: So do you have video or not?
               MR. SALBERG: I -- I'm trying, Your Honor.
 7
                        (Pause in the proceedings.)
 8
               THE COURT: I can see you.
 9
10
               MR. SALBERG: Permission to speak, Your Honor?
               THE COURT: Yes.
11
12
           I will let you know, that I visited your fair state in
13
       June -- first time ever -- with the Defender Services
      Committee. It was a terrific week of meetings there.
14
15
               MR. SALBERG: Good to hear, Your Honor.
               THE COURT: Go ahead.
16
17
               MR. SALBERG: Thank you, Your Honor. Aaron Salberg
18
       representing the South Dakota Attorney General's Office.
          The -- we're here today because Meta alleges that the
19
20
      Bureau of Finance Management and the governor's office isn't
21
      complying with the order.
22
          Neither one has refused to cooperate. And we're certainly
23
      not thumbing their nose -- our nose at any agency. They don't
      have a attorney present today. She -- we learned about this
24
25
       last night. She is out sick today, but I have been in contact
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1
       with her.
 2
          On November 13th, there was a meet-and-confer. They had
 3
       another attorney that was supposed to appear at that
 4
      meet-and-confer. He was out sick that day.
 5
          We would be happy to have another meet-and-confer --
 6
      nobody has refused to comply with the discovery. In fact, the
 7
      Bureau of Finance and Management has provided the
 8
      Attorney General's Office with responses to their request for
 9
      productions. They've notified us today that they have
10
       completed their -- their searches using the proposed search
11
      terms and will start rolling production here shortly.
12
          The governor's office has advised us that they are almost
13
      complete with their searches. And, again, nobody's refusing
14
      to comply with any order from South Dakota.
15
          Thank you.
16
                THE COURT: Okay. I appreciate the update,
17
      Mr. Salsberg. I will --
18
          I'm not going to get into the minutia of this,
19
      Mr. Schmidt. You've heard him.
20
          I'll let you all follow up, and if there are any issues,
21
      then let Judge Kang know.
22
               MR. SCHMIDT: Yeah. May I just say one thing on
23
      that, Your Honor?
                THE COURT: Okay.
24
                MR. SCHMIDT: Paul Schmidt for Meta.
25
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Some of that we're hearing for the first time in this
 1
 2
      hearing.
 3
                THE COURT: That's why it's good to have these
 4
      hearings.
 5
                MR. SCHMIDT: Yes. It is good to have these
 6
      hearings.
 7
           Some of that we were told I think either today or
 8
       yesterday in the lead-up to the hearing -- other reason, it's
 9
       good to have these hearings.
10
           I've said with respect to California that we'll work with
11
       them and take that to Judge Kang as appropriate. But it does
12
      highlight the struggles we have if we ever need to talk about
13
      the schedule in terms of pushing these cases ahead.
14
                THE COURT: Okay.
15
          Thank you, Mr. Salberg.
16
               MR. SALBERG: Thank you, Your Honor.
17
                THE COURT: Anything from South Carolina? That would
18
      be the last.
19
               MS. KALANTHI: Hello again. Emily Kalanthi for the
20
      People of the State of California.
21
          My understanding is there's not the representative from
22
       South Carolina either in the courtroom or on Zoom right now.
       I do have a statement from last night that we received that
23
       I'm happy to read into the record regarding this issue of
24
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their governor's office.

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THE COURT:
                            All right.
 1
 2
               MR. SCHMIDT: Apologize. May I ask a question?
 3
          Are we talking about South Dakota or South Carolina?
               MS. KALANTHI: South Carolina.
 4
 5
               MR. SCHMIDT: South Carolina, okay.
 6
               THE COURT: I thought that's what I had heard. South
 7
      Carolina.
               MR. SCHMIDT: It's what I heard, too.
 8
               MS. KALANTHI: "The governor's office is not a party
 9
10
      to this litigation as defined by the state law that we
11
       included in our briefing. We sent the governor's office legal
12
       counsel the briefings and order. At this time, they have not
13
       agreed to produce custodians. We've sent Meta a letter
14
       drafted by the governor's counsel outlining their position.
15
      We believe that their position is that absent receipt of a
      Rule 45 subpoena from Meta, the governor's office will not
16
17
       engage in any direct communication or meet-and-confer process
18
      with Meta related to the same."
19
               THE COURT: Okay.
20
               MS. KALANTHI: That's all I have, Your Honor.
21
               THE COURT: All right.
22
          Okay. More to come.
23
          I will wait and hear from Judge Kang on some information.
           I still have my order outstanding. You'll get -- I guess
24
25
       what I'll need to know from the defendants is what relief, if
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any, you're asking for. So --
 1
 2
                MR. SCHMIDT: On these issues, we've just been
 3
      discussing?
                THE COURT: Correct.
 4
 5
                MR. SCHMIDT: Okay.
 6
                THE COURT: That would be helpful.
 7
                MR. SCHMIDT: Okay. Thank you, Your Honor.
                THE COURT: Okay. Those were the -- the additional
 8
 9
      things that I wanted to discuss.
10
           Is there anything else that anybody else wants to discuss
11
      today?
12
           (Clarification requested by the Official Certified
13
      Stenographic Court Reporter.)
14
                THE COURT: I know.
15
           Ms. Mercado, that was -- Ms. Hazam said, "no issues for
16
      plaintiffs."
17
                MR. SCHMIDT: Paul Schmidt for Meta.
18
          No issues for the defendants.
19
                THE COURT: Okay.
20
           I let the liaison counsel know that I'm going to vacate
21
      the December hearing, so it's here by vacated, and -- hold on
22
      just a minute.
23
           Something flashed up. I want to just double-check before
      I let you go.
24
25
                        (Pause in the proceedings.)
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1
                THE COURT:
                            Okay. And -- I did see that the appeals
 2
      were filed, but I'm assuming that we're still proceeding. I
 3
      mean, it's fine. I expected appeals to be filed. But we've
 4
      nothing to discuss on that topic.
 5
               MR. SCHMIDT: I don't think so, Your Honor.
 6
               MR. WARREN: No, we don't believe so, Your Honor. We
 7
      think the case moves forward here, and we'll take it up in the
      Ninth Circuit.
 8
 9
                THE COURT: Okay.
10
          All right, then. Well, if there's nothing else, then I
11
      wish everybody a Happy Thanksgiving and a happy holiday.
12
          And I'll see you in 2025.
13
               MR. WARREN: Thank you, Your Honor.
14
               MR. SCHMIDT: Thank you, Your Honor. Happy
15
      Thanksqiving.
16
               MR. WARREN: Thank you.
17
                THE CLERK: Court is adjourned.
18
                 (Proceedings were concluded at 9:48 A.M.)
19
                                  --000--
20
21
22
23
24
25
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CERTIFICATE OF REPORTER I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that I am neither counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken, and further that I am not financially nor otherwise interested in the outcome of the action. Raynee H. Mercado, CSR, RMR, CRR, FCRR, CCRR Sunday, November 24, 2024